

Argument in Favor of Proposition 79

As prescription drug prices soar, more and more Californians are forced to choose between vital medicines and other necessities.

There are two prescription drug measures on the ballot. Prop. 78 is sponsored by drug companies. *Prop. 79 is sponsored by consumer, senior and health organizations, and labor unions.*

The pharmaceutical industry has pledged to spend “whatever it takes” to defeat Prop. 79, launching what could be the most expensive initiative campaign in California history. Manufacturers like GlaxoSmithKline and Merck have each donated nearly \$10 million. Here’s why:

PROP. 79 PROVIDES ENFORCEABLE, NOT “VOLUNTARY,” DISCOUNTS BY DRUG COMPANIES

Prop. 78 is completely voluntary for drug companies: they are free to choose whether or not to offer discounts. But California has tried a voluntary drug discount plan before. The pharmaceutical industry refused to participate so the program dissolved in 2001.

Prop. 79 has an enforcement mechanism.

If a drug company refuses to provide discounts, the state can shift business away from that company and buy from other drug companies that offer discounts.

CALIFORNIA WOULD USE ITS PURCHASING POWER TO GET THE BEST PRICE

Americans pay more for their prescriptions than consumers in many wealthy nations. That’s in part because these other governments negotiate discounts from the drug industry on behalf of their citizens.

California does something similar through Medi-Cal, negotiating discounts of 50 percent and more, saving taxpayers \$5 billion in the last 10 years. Prop. 79 builds on this success, using the same mechanism to negotiate these discounts for eligible Californians. As a result, consumers will pay less out of their own pockets for prescriptions at the expense of the drug companies, not taxpayers.

Under Prop. 79, eligible Californians would get a drug discount

card to present to their pharmacist to receive discounts of up to 50 percent or more.

PROP. 79 OFFERS DISCOUNTS TO 8–10 MILLION CALIFORNIANS

Nearly twice as many Californians will be eligible for discounts under Prop. 79 than under Prop. 78, including:

- Californians with catastrophic medical expenses who spend at least five percent of their income on medical expenses;
- The uninsured who earn up to 400 percent of the Federal Poverty Level (\$64,360 for a family of three);
- Californians on Medicare for drug costs not fully covered by Medicare;
- Seniors, the chronically ill, and others with inadequate drug coverage through private insurers or their employer.

PROP. 79 WOULD SAVE PATIENTS, TAXPAYERS, AND EMPLOYERS MONEY

By making affordable drugs more accessible to more people than Prop. 78, fewer people would fall onto Medi-Cal or other public programs, and need to use taxpayer-funded emergency rooms. Prop. 79 can reduce employers’ health premiums by authorizing a new purchasing pool to reduce drug prices for employer-paid coverage.

PROP. 79: BACKED BY DOZENS OF HEALTH, SENIOR, AND CONSUMER ADVOCACY ORGANIZATIONS

Stand up to the unfair, unaffordable prices of the prescription drug industry. For real, enforceable discounts of up to 50 percent or more on prescription drugs for 8–10 million Californians, **VOTE YES on PROP. 79.**

HENRY L. “HANK” LACAYO, State President
Congress of California Seniors

ELIZABETH M. IMHOLZ, West Coast Office Director
Consumers Union

LUPE ALONZO-DIAZ, Executive Director
Latino Coalition for a Healthy California

Rebuttal to Argument in Favor of Proposition 79

There are good reasons why pharmaceutical companies, health professionals, and patient advocates oppose Proposition 79:

- The measure is so poorly written it will result in years of legal challenges and will never get approval by the federal government.
- It contains the same flaw that caused the failure of a similar program in Maine.
- Proposition 79 would let trial lawyers file thousands of lawsuits claiming that prices are too high or profits are unreasonable. Worse, the measure doesn’t define what is a fair price or profit.

The backers of Proposition 79 rant against the pharmaceutical industry to obscure the real issues. The pharmaceutical industry is just one of many that have spoken out against Prop. 79. Groups representing seniors, physicians, nurses, taxpayers, small businesses, and patients all oppose Proposition 79. Prop. 79 is also opposed by leaders in the fight against heart disease, cancer, epilepsy, asthma, AIDS, lupus, and many other diseases.

Prop. 79 won’t provide drug discounts to more people than Prop. 78 because Prop. 79 won’t ever take effect. Just like a similar measure in Maine that spent years in court and never resulted in a single drug discount, Prop. 79 is a false promise. And if Proposition 79 did ever get implemented, it would establish a big government program costing taxpayers millions to administer and put at risk over \$480 million the state currently receives in drug rebates.

There is only one drug discount program on the ballot that will work and that is Proposition 78. Please don’t be fooled by Prop. 79. It’s the wrong prescription for California.

RODRIGO A. MUNOZ, M.D., Past President
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